

# Government of Canada Securities

A Publication of the Department of Finance

January 2008

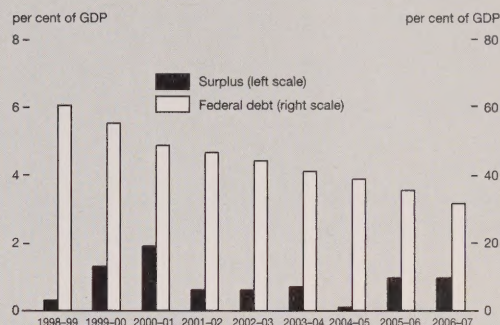
## Canadian Economy

### Selected Canadian economic statistics

	2005	2006	2007		
			Q1	Q2	Q3
<b>Annualized growth rates</b> (per cent)					
Real gross domestic product	3.1	2.8	3.5	3.8	2.9
Final domestic demand	4.5	4.7	2.8	4.9	4.6
Employment growth	1.4	1.9	3.9	1.3	1.7
<b>Other</b>					
Unemployment rate	6.8	6.3	6.1	6.1	6.0
Current account balance (percentage of GDP)	2.0	1.6	1.7	1.7	0.3

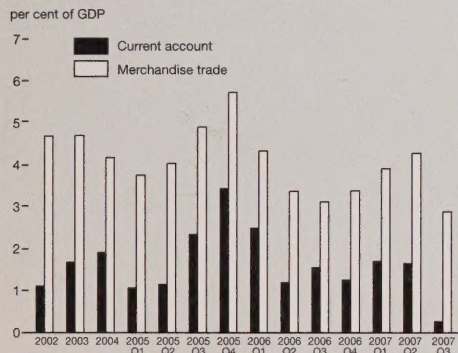
Source: Statistics Canada.

### Government of Canada federal debt (accumulated deficit) and budgetary balance



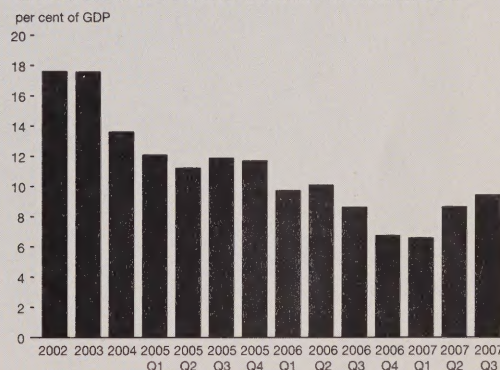
Source: Department of Finance.

### Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

### Canada's net international liabilities



Source: Statistics Canada.

### Upcoming economic data releases of interest

#### January

November GDP  
(January 31)

#### February

January Labour Force Survey  
(February 8)January CPI  
(February 19)

#### March

National and Economic Accounts  
(October-December 2007)  
(March 3)December GDP  
(March 3)February Labour Force Survey  
(March 7)February CPI  
(March 18)January GDP  
(March 31)

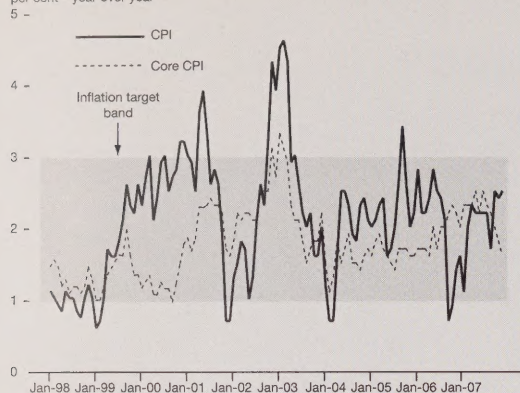


# Government of Canada Securities

## Canadian Economy

### Consumer Price Index

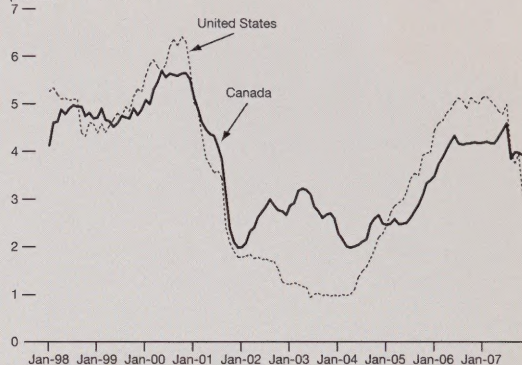
per cent – year over year



Source: Statistics Canada.

### 3-month treasury bill rates

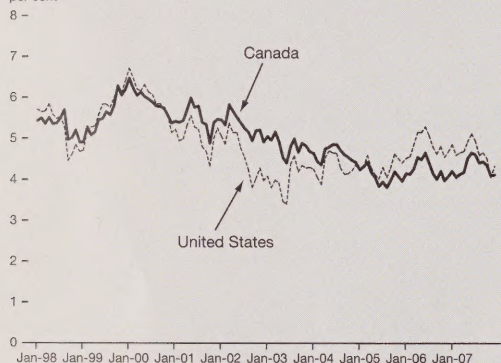
per cent



Sources: Bank of Canada and Federal Reserve.

### 10-year government bond rates

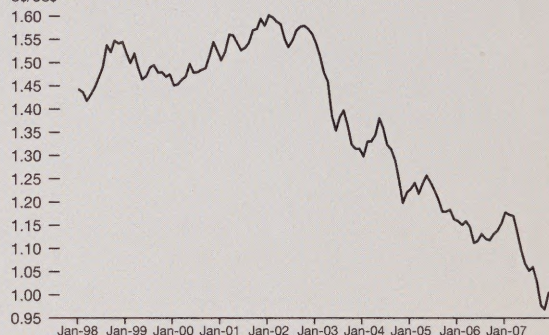
per cent



Sources: Bank of Canada and Federal Reserve.

### Exchange rate

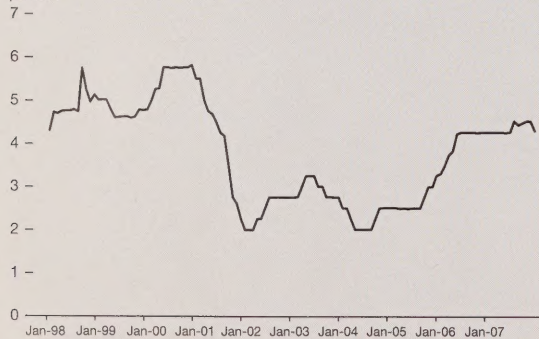
C\$/US\$



Source: Bank of Canada.

### Overnight money market rate

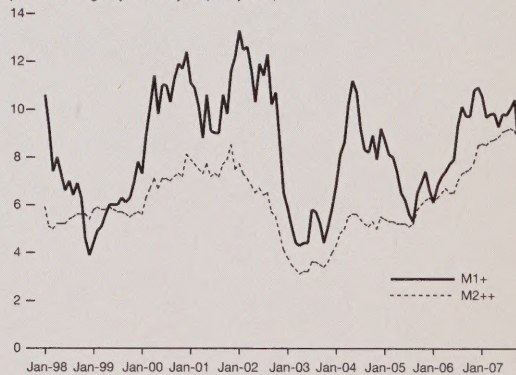
per cent



Source: Bank of Canada.

### Canadian monetary aggregates

per cent change – year over year (unadjusted)



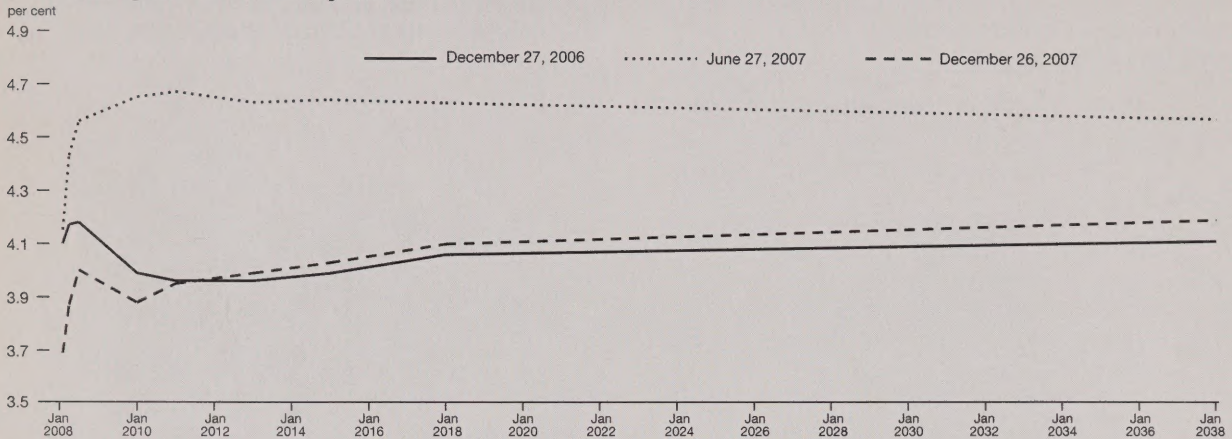
Source: Bank of Canada.



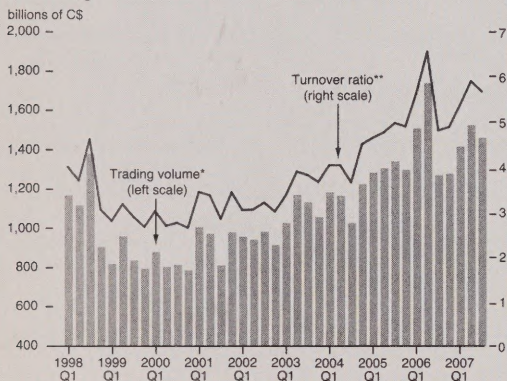
# Government of Canada Securities

## Secondary Market

### Canadian yield-to-maturity curve

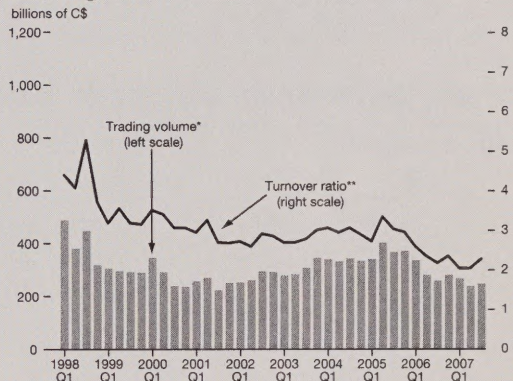


### Government of Canada bonds trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government of Canada treasury bills trading volume and turnover ratio



\*Trading volume is total trading volume in each quarter.  
 \*\*Turnover ratio = total trading volume in each quarter/stock.  
 Source: Bank of Canada.

### Government securities distributors

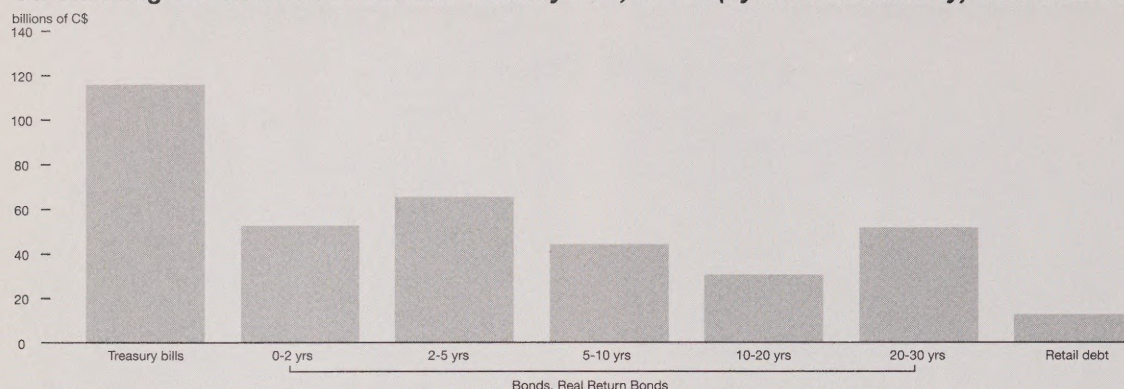
- |  |   |
|--|---|
| ■ Bank of Montreal (treasury bills only)                   | ■ Gateway Securities Inc.                               |
| ■ Beacon Securities Limited                                | ■ HSBC Bank Canada (treasury bills only)                |
| ■ BMO Nesbitt Burns Inc. (marketable bonds only)           | ■ HSBC Securities (Canada) Inc. (marketable bonds only) |
| ■ Canaccord Capital Corp.                                  | ■ Laurentian Bank Securities Inc.                       |
| ■ Canadian Imperial Bank of Commerce (treasury bills only) | ■ Merrill Lynch Canada Inc.                             |
| ■ Casgrain & Company Limited                               | ■ National Bank Financial Inc.                          |
| ■ CIBC World Markets Inc. (marketable bonds only)          | ■ Ocean Securities Inc.                                 |
| ■ CTI Capital Inc.   | ■ Odium Brown Limited                                   |
| ■ Desjardins Securities                                    | ■ RBC Dominion Securities Inc.                          |
| ■ Deutsche Bank Securities Limited                         | ■ Scotia Capital Inc.                                   |
| ■ Dundee Securities Corporation                            | ■ The Toronto-Dominion Bank                             |



# Government of Canada Securities

## Primary Market

### Outstanding Government of Canada treasury bills, bonds (by term to maturity) and retail debt



### Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage**	Tail***
	(years)		(%)	(millions of dollars)		(%)		(basis points)
October 24, 2007	10	June 1, 2018	4.25	2,500	99.489	4.311	2.385	0.7
November 28, 2007	2	June 1, 2010	3.75	3,300	99.840	3.818	2.417	0.6
December 5, 2007	30	December 1, 2041	2*	600	99.020	2.040	3.041	n.a.
January 16, 2008	30	June 1, 2037	5	1,400	116.260	4.048	2.279	0.3

Note: Based on information available as of January 16.

\* Real Return Bond

\*\* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

\*\*\* Tail is defined as the high accepted yield minus the average yield.

Source: Bank of Canada.

### Government of Canada bond auctions

Type of issue	Auction date (2008)	Further details of issue (2008)	Dated and delivered (2008)	Amount maturing*
				(millions of dollars)
10-year	February 6	January 31	February 11	0
5-year	February 20	February 14	February 25	0
Real Return Bond	February 27	February 21	March 3	0

Note: Based on information available as of January 16.

In addition, this quarter four operations are planned under the Government of Canada bond repurchase program. Two repurchase operations will be held in conjunction with each nominal bond auction, and two switch repurchase operations will take place on March 5 in the 5-year sector and March 19 in the 10-year sector. Further details will be released on the Thursday prior to these operations. The target amount for the repurchase this quarter is \$1.9 billion.

\* Maturity of \$579 million on March 1, 2008.

Source: Bank of Canada.



# Government of Canada Securities

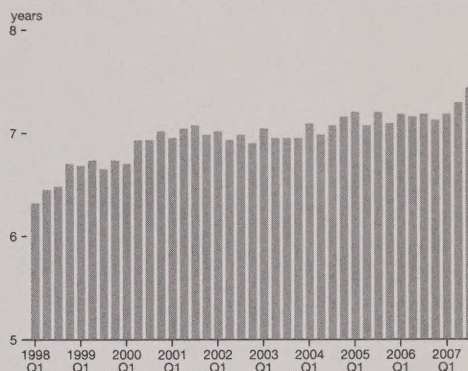
## Primary Market

### Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Dec. 31, 2007)
		(%)	(millions of dollars)	(%)
<b>Fixed-coupon</b>				
2-year	December 1, 2009	4.25	7,500	3.74
5-year	June 1, 2012	3.75	6,824	3.87
10-year	June 1, 2017	4.00	10,342	3.99
30-year	June 1, 2037	5.00	11,849	4.10
<b>Real return</b>				
30-year	December 1, 2036	3	5,850	1.93

Source: Department of Finance.

### Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

### Upcoming Government of Canada marketable bond maturities

January-March 2008	April-June 2008	July-September 2008	October-December 2008
(millions of dollars)			
578	8,234	9,580	7,303

### Outstanding Government of Canada foreign currency debt

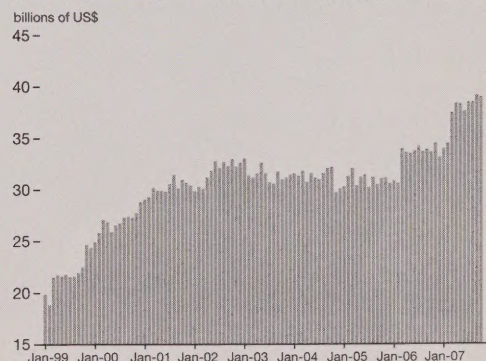
	(C\$ millions)*
Canada bills	1,906
Canada notes	442
Outstanding under EMTN program	1,485
4% EUR bonds maturing July 7, 2008**	2,951
5% US\$ bonds maturing November 5, 2008	2,470

\* At par value, adjusted for exchange rates as of December 31, 2007.

\*\* Original issue in Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

### Canada's level of liquid foreign reserves



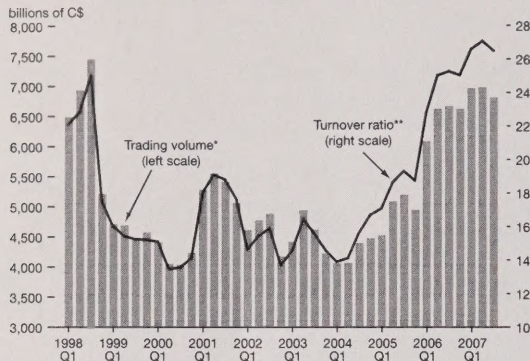
Source: Bank of Canada



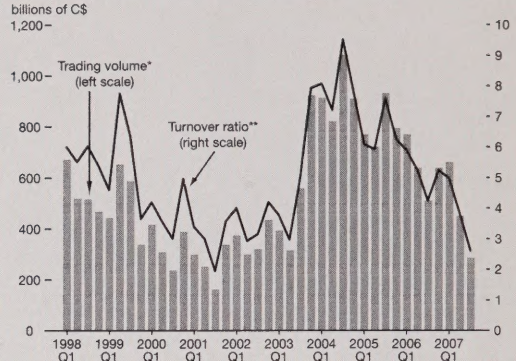
# Government of Canada Securities

## Secondary Market

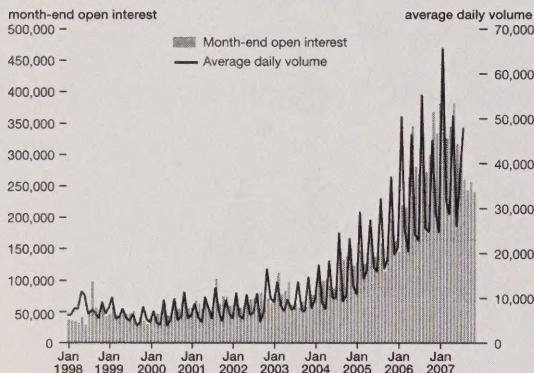
**Government of Canada bond repos trading volume and turnover ratio**



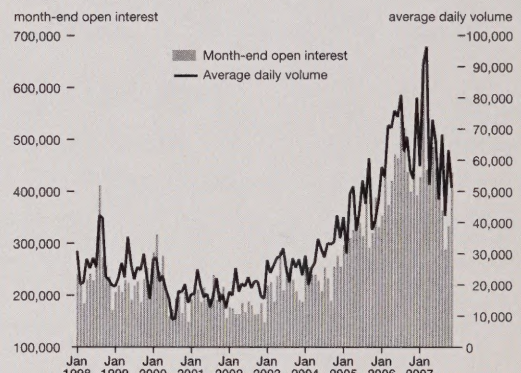
**Government of Canada treasury bill repos trading volume and turnover ratio**



**10-year Government of Canada bond futures**



**3-month bankers acceptance futures**



### Government of Canada long-term credit ratings

	Standard & Poor's	Moody's Investors Service	Dominion Bond Rating Service
	Current	Current	Current
<b>Domestic debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
- Trend	Stable	Stable	Stable
<b>Foreign debt</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
- Trend	Stable	Stable	Stable

This publication is also available on the Internet at [www.fin.gc.ca](http://www.fin.gc.ca)  
 Except as noted, the information in *Government of Canada Securities* is based upon data as of January 1, 2008.  
 For further information, contact Ian Blachford at 613-992-6386.  
 For additional copies or subscription inquiries, please contact the Distribution Centre at 613-995-2855.

*Ce document est également disponible en français.*



Department of Finance  
Canada

Ministère des Finances  
Canada